

ASSEMBLY, No. 335

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1996 SESSION

By Assemblymen PASCRELL and ARNONE

1 AN ACT concerning certain property assessment valuation appeals and
2 property tax refunds, amending various sections of statutory law
3 and supplementing chapter 4 of Title 40A of the New Jersey
4 Statutes.

5
6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey

8
9 1. R.S.54:3-21 is amended to read as follows:
10 54:3-21. A taxpayer feeling aggrieved by the assessed valuation of
11 his property, or feeling that he is discriminated against by the assessed
12 valuation of other property in the county, or a taxing district which
13 may feel discriminated against by the assessed valuation of property in
14 the taxing district, or by the assessed valuation of property in another
15 taxing district in the county, may on or before April 1 appeal to the
16 county board of taxation by filing with it a petition of appeal;
17 provided, however, that any such taxpayer or taxing district may on or
18 before April 1 file a complaint directly with the tax court, if the
19 assessed valuation of the property subject to the appeal exceeds
20 \$750,000.00. A taxpayer shall have 45 days to file an appeal upon the
21 issuance of a notification of a change in assessment. All appeals to the
22 tax court hereunder shall be in accordance with the provisions of the
23 State Tax Uniform Procedure Law, R.S.54:48-1 et seq.

24 If a petition of appeal or a complaint is filed during the 19 days next
25 preceding April 1, a taxpayer or a taxing district shall have 20 days
26 from the date of service of the petition or complaint to file a
27 cross-petition of appeal with a county board of taxation or a
28 counterclaim with the clerk of the tax court, as appropriate.

29 A taxpayer appealing the assessed valuation of a property for which
30 the assessed valuation exceeds \$750,000 shall be required to file, on
31 or before March 1, a notice of appeal along with a professional
32 appraisal of that property performed by a real estate appraiser who has

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.

Matter underlined thus is new matter.

1 attained licensure or certification by the State Real Estate Appraiser
2 Board in the Division of Consumer Affairs in the Department of Law
3 and Public Safety pursuant to the "Real Estate Appraisers Act,"
4 P.L.1991, c.68 (C.45:14F-1 et seq.). If either the notice of appeal or
5 the professional appraisal is not submitted by March 1, then the appeal
6 shall not be considered timely filed.

7 (cf: P.L.1991, c.75, s.28)

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9 2. (New section) a. The total of the amount of property tax
10 appeal refunds paid by a municipality during a tax year shall be
11 apportioned by the municipal tax collector between the municipality,
12 county, school district, fire districts and any other taxing district
13 operating within the boundaries of the municipality.

14 b. The tax collector shall send a notice to the county, school
15 district and fire districts setting forth their pro rata share of the
16 property tax appeal refunds paid by the municipality during the tax
17 year, for inclusion into their subsequent annual budgets.

18 c. In the year following the tax year in which the property tax
19 appeal refunds were paid the municipal tax collector shall deduct the
20 applicable pro rata share from the amounts to be paid to the county
21 and each school district and fire district as required by
22 N.J.S.40A:14-79, R.S.54:4-74 and R.S.54:4-75.

23

24 3. N.J.S.40A:14-79 is amended to read as follows:

25 40A:14-79. Upon proper certification pursuant to section 9 of
26 P.L.1979, c.453 (C.40A:14-78.5), the assessor of the municipality in
27 which the fire district is situate shall assess the amount to be raised by
28 taxation to support the district budget against the taxable property
29 therein, in the same manner as municipal taxes are assessed and the
30 said amount shall be assessed, levied and collected at the same time
31 and in the same manner as other municipal taxes.

32 For the purposes of this section:

33 "District tax due" or "tax due" means the amount so assessed less
34 the district's proportionate share of the property taxes refunded by the
35 municipality in the preceding tax year pursuant to subsection a. of
36 section 2 of P.L. , c. (C.) (now pending before the
37 Legislature as this bill).

38 The collector or treasurer of the municipality in which said district
39 is situate shall pay over all [moneys so assessed] district tax due to the
40 treasurer or custodian of funds of said fire district as follows: on or
41 before April 1, an amount equaling 21.25% of all [moneys so assessed]
42 tax due; on or before July 1, an amount equaling 22.5% of all [moneys
43 so assessed] tax due; on or before October 1, an amount equaling 25%
44 of all [moneys so assessed] tax due; and on or before December 31, an
45 amount equaling the difference between the total of all [moneys so
46 assessed] tax due, and the total [amount] of the quarterly amounts of

1 such moneys previously paid over[,]to the fire district. These moneys
2 are to be held and expended for the purpose of providing and
3 maintaining means for extinguishing fires in such district.

4 Notwithstanding anything herein to the contrary, the municipal
5 governing body may authorize, in the cash management plan adopted
6 by it pursuant to N.J.S.40A:5-14, a schedule of payments of fire
7 district **[moneys]** tax due by which an amount greater than required on
8 any of the first three payment dates cited herein may be paid over.
9 The municipal governing body and board of fire commissioners may,
10 by concurrent resolution, adopt a schedule of payments of fire district
11 **[moneys]** tax due by which an amount less than required on any of the
12 first three payment dates cited herein may be paid over. Such
13 resolution shall be included in the cash management plan adopted by
14 the municipal governing body pursuant to N.J.S.40A:5-14.

15 The commissioners may also pay back, or cause to be paid back to
16 such municipality, any funds or any part thereof paid to the treasurer
17 or custodian of funds of such fire district by the collector or treasurer
18 of the municipality, representing taxes levied for fire district purposes
19 but not actually collected in cash by said collector or treasurer.

20 (cf: P.L.1985, c.288, s.4)

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22 4. R.S.54:4-74 is amended to read as follows:

23 54:4-74. For the purpose of this section:

24 "County tax due" or "tax due" means the amount so assessed less
25 the county's proportionate share of the property taxes refunded by the
26 municipality in the preceding tax year pursuant to subsection a. of
27 section 2 of P.L. , c. (C.) (now pending before the
28 Legislature as this bill).

29 The governing body of each municipality shall cause to be paid to
30 the treasurer of the county, in four installments, the amount of county
31 tax due, and the other county taxes required to be assessed and raised
32 in such municipality, on the fifteenth day of the month in which each
33 installment of taxes shall become payable. The amount to be payable
34 as each of the first two installments shall be one-quarter of the total
35 **[tax]** county tax due and one-quarter of the other total county taxes
36 finally levied against the municipality for the preceding year, and the
37 amount to be payable for the third and fourth installments shall be the
38 county tax due, and for the other county taxes the full tax as levied,
39 for the current year, less the amount charged as the first and second
40 installments. The total amount thus found to be payable as the last
41 two installments shall be divided equally for and as each installment.
42 The governing body of each municipality shall cause to be paid to the
43 county treasurer on December fifteenth of each year all of the taxes

1 required to be assessed and raised by taxation in such taxing district
2 for state school and other state purposes.

3 (cf: R.S.54:4-74)

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5 5. R.S.54:4-75 is amended to read as follows:

6 54:4-75. For the purpose of this section:

7 "School tax due" or "tax due" means the amount so assessed less
8 the school district's proportionate share of the property taxes refunded
9 by the municipality in the preceding tax year pursuant to subsection a.
10 of section 2 of P.L. , c. (C.) (now pending before the
11 Legislature as this bill).

12 The governing body of each municipality shall pay over to the
13 custodian of school moneys, in the case of school districts in which
14 appropriations for school purposes are made by the inhabitants of the
15 school district, within forty days after the beginning of the school year,
16 twenty per centum (20%) of the [appropriation for local school
17 purposes] moneys from school tax due, and thereafter, but prior to the
18 last day of the school year, the balance of the moneys [raised in the
19 municipality] from school tax due for school purposes in such amounts
20 as may be requested from time to time [be requested] by the Board of
21 Education, within thirty days after each request. The Board of
22 Education shall not request any more money at any one time than shall
23 be required for its expenditures for a period of eight weeks in
24 advance; provided, however, that the Board of Education may at any
25 time, but not earlier than fifteen days prior to the beginning of the
26 school year, request sufficient moneys to meet all interest and debt
27 redemption charges maturing during the first forty days of the school
28 year. The governing body may make payments of such moneys in
29 advance of the time and in excess of the amounts required by this
30 section.

31 (cf: P.L.1952, c.274, s.1)

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33 6. R.S.54:4-76 is amended to read as follows:

34 54:4-76. The governing body of the municipality or the county
35 shall cause the county tax due, as calculated pursuant to R.S.54:4-74,
36 and other county taxes levied, [local] school tax due, as calculated
37 pursuant to R.S.54:4-75, and State taxes to be paid as and when due
38 for payment. If there shall not be sufficient funds in the treasury
39 available for such payments, the governing body shall immediately
40 borrow sufficient money and pay such taxes due. The board of chosen
41 freeholders of each county may by resolution fix the rate of discount
42 to be allowed for the payment to the county treasurer of county taxes
43 previous to the date on which they will become due for payment. The
44 rate so fixed shall not exceed six per centum per annum, and shall be
45 allowed only in case of payment on or before the thirtieth day previous
46 to the date on which said taxes will become due for payment to the

1 county treasurer. On any part of the taxes payable to the county
2 treasurer and on any part of the taxes payable to the State by the
3 county treasurer, which shall remain unpaid after the time within which
4 they are required to be paid by this chapter, the taxing district or
5 county in arrears shall pay to the county or State, as the case may be,
6 interest at the rate of six per centum per annum upon the delayed
7 payment.

8 (cf: P.L.1940, c.21, s.1)

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10 7. This act shall take effect immediately.

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STATEMENT

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15 This bill would require persons appealing the valuation of a
16 property assessed over \$750,000 to submit a professional appraisal
17 prior to filing the tax appeal. Currently, the threshold amount for
18 appealing directly to tax court is \$750,000. Many property tax
19 appeals are withdrawn by taxpayers once an appraisal has been
20 performed in anticipation of the tax appeal hearing. The bill requires
21 the appraisal to be filed on or before March 1 of the tax year or the tax
22 appeal will not be considered timely filed. The bill also requires
23 county governments, school districts and fire districts to share in the
24 burden of paying for property tax refunds. Under current law only the
25 county shares in this burden with municipalities. The bill requires the
26 municipal tax collector to send a notice of the pro rata share of the
27 property tax appeal refunds paid by the municipality during the tax
28 year to the county, school districts and fire districts for inclusion into
29 their annual budgets. In the year following the tax year in which the
30 refunds were paid, the municipal tax collector is then required to
31 deduct the applicable pro rata share of the property tax refunds from
32 the amounts to be paid to the county and each school district and fire
33 district as required by N.J.S.40A:14-79, R.S.54:4-74 and R.S.54:4-75.

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38 Requires submission of professional appraisal prior to filing appeal for
39 property valued over \$750,000 and requires fire districts, school
40 districts, and county governments to share in burden of property tax
41 appeal refunds.